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SURVEY *of* CURRENT BUSINESS



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U.S. Transportation Satellite Accounts

*The Domestic Orientation of Production and
Sales by Foreign-Owned Manufacturers*



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It incorporates data from the following monthly BEA news releases:
U.S. International Trade in Goods and Services (March 19),
Gross Domestic Product (March 26), and
Personal Income and Outlays (March 27).

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The new satellite accounts for U.S. transportation integrate information from a variety of sources to present a more comprehensive picture of the role of transportation in the U.S. economy. The new transportation satellite accounts (TSA's) are based on and are an extension of the 1992 benchmark input-output (I-O) accounts. The TSA's expand the definition of transportation activities to include transportation services by businesses for their own use, and they show more accurately the total use of these services across industries. Under the expanded TSA definition, the value added of transportation industries represents 5.0 percent of GDP in 1992, compared with the 3.1-percent share shown in the I-O accounts.

29 The Domestic Orientation of Production and Sales by U.S. Manufacturing Affiliates of Foreign Companies

Detailed industry data on the production of foreign-owned U.S. manufacturing affiliates and of domestically owned manufacturing firms show that in most industries, domestic content tends to account for the dominant share of output. However, the shares for U.S. affiliates tend to be lower than those for domestically owned firms across the detailed industries, and the difference at the aggregate level increases rather than decreases when industry mix is held constant. In most industries, U.S. affiliates and domestically owned manufacturers both tend to sell most of their output in the United States, but the domestic-market shares of sales for U.S. affiliates tend to be higher than those for domestically owned firms.

Regular features

1 Business Situation

The "final" estimate of real GDP indicates a 3.7-percent increase in the fourth quarter of 1997, 0.2 percentage point lower than the "preliminary" estimate; downward revisions to consumer spending and net exports more than offset an upward revision to business fixed investment. Corporate profits decreased \$9.2 billion in the fourth quarter after increasing \$32.2 billion in the third; the downturn was accounted for by the profits of domestic nonfinancial corporations. The Federal Government current deficit increased \$1.3 billion, to \$12.1 billion, in the fourth quarter; the State and local government current surplus decreased \$1.3 billion, to \$110.1 billion.

10 State and Local Government Fiscal Position in 1997

The current surplus of State and local governments increased \$2.5 billion, to \$107.8 billion, in 1997. Receipts and current expenditures both increased at about the same pace as they had in 1996. For 1998, available information suggests some acceleration in both receipts and current expenditures and little change in the current surplus.

51 U.S. International Transactions, Fourth Quarter and Year 1997

In the fourth quarter of 1997, the U.S. current-account deficit increased to \$45.6 billion from \$43.1 billion in the third quarter; a decrease in the deficit on goods was more than offset by an increase in net unilateral transfers, a decrease in the surplus on services, and an increase in the deficit on investment income. In the capital account, outflows for U.S. assets abroad decelerated \$14.0 billion in the fourth quarter, while inflows for foreign assets in the United States decelerated only \$1.4 billion. For the year 1997, the U.S. current-account deficit increased to \$166.4 billion from \$148.2 billion in 1996; a shift to a deficit on investment income and an increase in the deficit on goods more than offset an increase in the surplus on services and a decrease in net unilateral transfers. In the capital account, outflows for U.S. assets abroad accelerated \$74.5 billion in 1997, while inflows for foreign assets in the United States accelerated \$142.9 billion.

Reports and statistical presentations

8 Real Inventories, Sales, and Inventory-Sales Ratios for Manufacturing and Trade

D-1 BEA Current and Historical Data

LOOKING AHEAD

Gross State Product by Industry. Revised estimates of gross state product by industry for 1993–94 and new estimates for 1995–96 will be presented in the June issue of the SURVEY. The estimates incorporate the most recent annual revisions of the NIPA's and of State personal income, as well as the new and revised national estimates of gross product by industry that were published in the November 1997 SURVEY.

RECRUITMENT

Chief Economist. BEA is recruiting for the position of Chief Economist. The Chief Economist directs BEA's research program; plans and develops new concepts and methods to be implemented by the Office of the Chief Statistician and by the Associate Directors for National, Industry, International, and Regional Accounts; advises the Director of BEA on major conceptual and theoretical developments in economic accounting; and serves as BEA's liaison to the academic and research community.

This is a career reserved position in the Senior Executive Service, salary range: \$106,412–\$125,900. The application deadline is May 15, 1998. To obtain the required application and qualification information, please contact the BEA Administrative Office at (202) 606–5556. BEA is an Equal Opportunity Employer.
